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Review of the efficiency of the administrative and financial functioning of the United Nations

Outsourcing practices

Report of the Secretary-General**

Summary

The present report is submitted to the General Assembly pursuant to its resolution 58/276. The report provides the General Assembly with information on the implementation of the provisions of its resolution 55/232 and activities outsourced during the years 2002 and 2003, including information on the location and type of outsourced activities and more detailed rationale, as called for in paragraph 3 of its resolution 58/276. The Secretary-General remains committed to ensuring that programme managers are guided by the basic criteria for outsourcing, as determined by the General Assembly goals with regard to the use of outsourcing by the United Nations.

* A/59/150.

** Late submission is due to the workload associated with end of fiscal year for peacekeeping and numerous new peacekeeping missions.

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1. The present report on outsourcing activities is submitted in compliance with the request made by the General Assembly in paragraph 3 of its resolution 58/276. A list of outsourced activities in the biennium 2002-2003 is contained in the annex.

2. As reported in the Secretary-General's report (A/57/185), heads of department and offices at United Nations Headquarters, offices away from Headquarters and United Nations funds and programmes were provided with the report of the Secretary-General on outsourcing practices (A/55/301) and General Assembly resolution 55/232. They were instructed to ensure strict adherence to the criteria and requirements contained in those documents for any outsourced activities. They were also once again reminded of General Assembly resolution 55/232 in the course of collecting the attached data on outsourced activities.

3. The Secretary-General also wishes to respond to a question raised by the Advisory Committee on Administrative and Budgetary Questions in its report (A/57/7/Add.1) with respect to the maintenance and installation of software being outsourced at United Nations Headquarters. The activity in question, which is essentially a help-desk activity, has been managed by staff at the United Nations Office at Geneva, the United Nations Office at Vienna and the Office of the United Nations High Commissioner for Refugees. However, that activity has been outsourced at Headquarters given the scale, complexity and diversity of hardware and software requiring technical support in order to support newly introduced technology, meet the required service levels and ensure the necessary flexibility to meet a fluctuating workload.

4. The list of outsourced activities contained in the annex specifies the reasons for outsourcing a particular requirement following the four basic criteria previously endorsed by the General Assembly. Where outsourcing has been initiated to achieve cost savings, the related savings reported by the responsible office are indicated. The Secretary-General wishes to reiterate his commitment to ensuring that programme managers are guided by the four basic criteria and three significant goals called for in General Assembly resolution 55/232 and the need for programme managers to satisfy the criteria when considering whether or not to outsource an activity of the Organization.

5. The Secretary-General also wishes to inform the General Assembly that the supplier performance evaluation forms being used by the Procurement Division have been shared with the members of Inter-Agency Procurement Working Group, as requested by the General Assembly in its resolution 58/277 and also posted on the Working Group's Bulletin Board.

6. **The General Assembly may wish to take note of the present report.**

Annex

Outsourced activities of the United Nations

2002-2003

Office	*Description*	*A*	*B*	*C*	*D*	*Savings identified (US$)*
ECA	Office equipment maintenance services			x		
	Operation of vehicle fuelling station			x		
	Packing, customs clearance and forwarding services			x		
	Production, printing and editing of publications			x		
	Provision of cleaning and janitorial services			x		
	Provision of food and catering services			x		
	Provision of gardening and landscape services			x		
	Provision of medical services			x		
	Travel management services			x		
ECLAC	External messenger/driver services		x	x	x	83 017.00
	Garden maintenance services		x	x	x	988 650.00
	Internal messenger service		x	x	x	112 012.00
	Maintenance of heating, ventilation and air conditioning systems	x	x	x	x	87 556.00
	Maintenance of LAN network	x	x	x	x	138 006.00
	Maintenance of PCs	x	x	x	x	51 461.00
	Office cleaning services		x	x	x	835 965.00
	Provision of guard service (*)		x	x	x	293 172.00
ESCAP	Provision of computer technicians		x			33 436.20
	Provision of electrician, water treatment technician, data entry operator, draftsperson and guards (*)		x			425 253.85
	Provision of personnel in the areas of audio-visual, exhibition, messenger, telecommunication, printing and driver services		x			258 220.81
ESCWA	Cleaning and gardening services		x	x		47 200.00
	Maintenance of fax machines and photocopiers		x	x		3 104.00
	Maintenance of IT equipment		x	x		5 696.00
	Office support services		x	x		46 025.00
	Operation and maintenance services		x	x		55 333.00
	Provision of guard service (*)		x	x		83 019.00

Office	*Description*	*A*	*B*	*C*	*D*	*Savings identified (US$)*
MINUCI	Cleaning services		x	x	x	5 345.00
	Installation of VHF and HF radio	x	x	x	x	15 111.00
	Internet cabling and network installation services	x	x	x	x	9 877.00
	Interpretation services	x	x	x	x	2 141.00
	Provision of civil works	x	x	x	x	12 100.00
	Provision of guard service (*)		x	x	x	16 437.00
	Vehicle maintenance and repair	x	x	x	x	8 612.00
MINUGUA	Janitorial services			x		
	Provision of guard service (*)			x		
	Terrestrial voice and data link services between MINUGUA HQ and 11 remote offices located throughout Guatemala	x				
MONUC	Fuelling services			x	x	
	Medical services in Kinshasa for level 3 medical care	x		x	x	
	Project management and technical assistance services for airport rehabilitation project	x		x	x	
	Provision of guard service (*)			x		
	Provision of technical expertise in communication and information technology	x		x	x	
UNAMSIL	Accident damage repair and painting of UNAMSIL vehicles			x		
	Car washing services for UNAMSIL vehicles			x		
	Erection of communication towers and installation of antennas microwaves dishes and associated accessories in UNAMSIL	x				
	Installation of lighting arrestors in 29 UNAMSIL locations throughout Sierra Leone for the protection of communication towers and satellite antennas	x				
	Provision of catering services			x		
	Provision of custodial and janitorial services		x	x		137 472.00
	Provision of guard service (*)		x	x		797 266.00
	Repair and servicing of various generator components	x				
	Transportation services for goods			x		
UNDOF	Labour contract services		x			101 000.00
UNFICYP	Casual labour hire services			x		
	Catering services		x			669 842.88
	Cleaning services		x			188 183.00
	Converting complex Corel Office Quattro-Pro (Spreadsheets) files to Microsoft Excel			x		
	Fuel supply services	x				

Office	*Description*	*A*	*B*	*C*	*D*	*Savings identified (US$)*
	Installation of external fibre-optic cable to all major offices within the UNPA HQ and offices	x				
	Installation of fireproof raised telecommunications flooring in UNFICYP telecommunications hub	x				
	Printing and pre-packaging services			x		
	Repair and maintenance of ID card printer	x				
	UN equipment repair and maintenance services			x		
	Vehicle repair and maintenance services			x		
UNFPA	Legal services			x		
	Mailing house services			x		
	Printing services			x		
UNHCR	Cleaning services			x		
UNHQ	Analytical study on public management in Latin America			x		
	Anti-explosive detection services: screening of all incoming mail and parcels for explosives with an explosive detection canine team	x				
	Assessment and analysis of national e-government web sites of all UN Member States	x				
	Assessment of management audit service			x	x	
	Audit of governance of UN Joint Staff Pension Fund			x	x	
	Bulk handling, packaging and mailing services for *Development Business*			x		
	Business analyst task for medical systems — implementation management; training and documentation and systems configuration; reports development	x		x		
	Cataloguing United Nations Archives; content analysis, entry of bibliographic data in ARMS information system		x	x		55 000.00
	Compilation and conducting of organizational integrity survey	x		x	x	
	Consolidated Appeals Process (CAP) video production service			x	x	
	Conversion of digital mini tapes into VHS			x	x	
	Coordination services for the fourth UNPAN training workshop on e-information management		x			39 908.78
	Coordination services for training workshop on e-information network		x			35 654.00
	Database maintenance, administration and fulfilment services for "development business"	x		x		
	Design and migration of database for travel application; design and development of OHRM data warehouse	x		x		
	Design and printing services for OCHA in 2004			x	x	
	Design and printing services for commemorative book			x	x	
	Design and printing services of OCHA 2002 financial report			x	x	
	Design for Africa governance inventory web portal	x				

Office	Description	A	B	C	D	Savings identified (US$)
	Development of 20 new curriculum units for the global teaching and learning project for educational materials for use in schools	x				
	Development of advanced field procurement training programme			x		
	Development of applications support group for DNTS; writing procedures, selecting tools, and mentoring and training UN staff	x		x		
	Development of Board of Auditors application: travel application for host country system reporting	x		x		
	Development of branding and marketing materials of the global Intranet roll-out; development of branding for e-assets application; development standards for GUI design, support branding and marketing efforts for DNTS	x		x		
	Development of data integrity process for the UNICTS application; data entry, data validation, and data testing for UNICTS				x	
	Development of distributed architecture for e-pas application; multiple applications to develop, including e-HCC	x		x		
	Development of distributed architecture for e-pas application; provision of Q/A role on the current architecture at UNHQ for e-mail and application operations for Lotus Notes platform	x		x		
	Development of financial accounting system for OCHA	x				
	Development of online e-government training course	x		x		
	Development of Prince UML templates to define UN project management, migration of UNICT application, development/implementation of data gathering process for UNICTS and formal PMO process for systems projects and supporting analysis for other projects	x				
	Development of toolbox integrating computer programs and software	x		x	x	
	Development of UNICTS IER project and project management: project management, specification and quality assurance	x				
	Development of UNICTS IER project: programming and development, graphical development, testing installation and training	x		x		
	Digitizing and microfiching investigation cases for reference in various duty stations	x		x	x	
	DPKO-IMIS gap analysis project			x	x	
	Dragon voice recognition software maintenance and training	x				
	e-HCC — project support and assistance in the development of phases II and III of e-HCC project and its roll-out; CorLog support and plan for upgrade to the new release of Lotus Notes R6	x		x		
	e-pas reporting data warehouse and roll-out — security business analysis	x		x		
	Electrical maintenance and operation services			x		
	Evaluation of impact of public policies in sub-Saharan Africa	x		x	x	
	Feasibility study on the creation of a national university in Djibouti			x	x	
	Hardware warranty and repair service	x		x		
	Help desk staffing	x		x		

Office	*Description*	*A*	*B*	*C*	*D*	*Savings identified (US$)*
	IMIS release 4 payroll development and testing	x				
	IMIS web migration project	x				
	Installation of PCs and data transfer services	x				
	IT development for the consolidated appeals process document management system	x		x	x	
	IT training services	x				
	LAN support staffing	x		x		
	Leading business analysis for development of an application for examinations for OHRM	x			x	
	Legal consultancy service for UNJSPF			x	x	
	Legal services at criminal court in Kenya			x	x	
	License agreements for electronic working papers	x		x		
	Link checking services for OCHA Relief Web	x				
	Logistics support for workshops and seminars for DESA		x	x		14 000.00
	Maintenance agreements for a variety of electronically controlled reproduction equipment	x				
	Maintenance and development of web site and database maintenance services for *Development Business* web site	x		x		
	Maintenance and updating of financing for development web site	x		x		
	Maintenance of elevators and escalators	x		x		
	Maintenance of outdoor gardens, lawns and trees			x		
	Maintenance support for communication equipment for hardware and software	x		x		
	News-stand operation services			x		
	ODS facility management services	x		x		
	Operation and maintenance of United Nations Gift Centre			x		
	Organization and delivery of audit workshop			x	x	
	Organization and preparation of educational travelling exhibition on water conservation and sustainable development			x	x	
	Organization of the second network meeting of Asia and Pacific Universities and Institutions for Conflict Prevention and Peacebuilding		x			13 301.00
	Painting services for walls and ceilings on an "as required" basis			x		
	Pilot risk assessment study for OIOS			x	x	
	Preparation of technical paper on "privacy" and e-government			x		
	Presentations on international investment strategy for a DESA project	x			x	
	Printing and translation (French and English) of 500 copies of the Windhoek report				x	
	Printing of OCHA posters			x	x	

Office	*Description*	*A*	*B*	*C*	*D*	*Savings identified (US$)*
	Printing services for *Development Business*			x		
	Production of 5,000 copies of the UNPAN pocket folder and 4-page brochure			x		
	Production of a compendium on the civil service system of the ASEAN countries	x				
	Production of documentary and training video for OCHA			x	x	
	Production, design and manufacturing of CD-ROM for DESA		x	x	x	4 000.00
	Provision of audio and video support to official meetings, special events, including installation, operation and maintenance of TV and radio equipment	x		x		
	Provision of cleaning services, custodial maintenance and elevator operators			x		
	Provision of coordination services for UNPAN training workshop		x			35 654.00
	Provision of digital raster maps over Iraq	x		x	x	
	Provision of emergency telecommunication services for OCHA with and in the field	x		x	x	
	Provision of food and catering services			x		
	Provision of MAC (moves/add/changes to the UN PBX system) analysts and related services			x		
	Provision of media training seminar for OCHA	x		x	x	
	Provision of messenger services		x	x		292 652.00
	Provision of on-site technical services for application support, network support and help desk support in New York and Brindisi	x				
	Provision of personnel for garage administration		x			76 102.00
	Provision of printing and graphic materials	x		x		
	Provision of printing and video/CD materials	x		x		
	Provision of services for a seminar on "public sector leadership development for good governance in Africa"		x			39 700.00
	Provision of services for OCHA inter-agency steering group for the project on terms of engagement with non-state actors	x				
	Provision of services to digitize, edgematch, edit and translate source maps of small scale and develop an application pilot system to provide access to geographic data depositories	x				
	Provision of technicians to operate and maintain the UN telephone exchange			x		
	Provision of telephone operator services			x		
	Provision of travel management services for UN/UNDP/UNICEF/UNFPA/UNOPS	x		x		
	Provision of travel services for the workshop on "Capacity to govern in central and eastern Europe"		x			5 000.00
	Radio beacon system support services	x				
	Redesign of OCHA web site	x		x	x	
	Research project on "Innovative sources of financing for development" to the United Nations University/World Institute for Development Economics Research	x			x	
	Research project on poverty vulnerability	x		x	x	

Office	Description	A	B	C	D	Savings identified (US$)
	Risk assessment methodology training			x	x	
	Service for collection of information for OCHA Relief Web			x		
	Service for leased photocopiers			x		
	Service of an expert on fiscal decentralization for technical support mission to Bangladesh	x			x	
	Services for finalization and distribution of questionnaire, follow-up and analysis of results and development of database for OCHA-IDP Unit Response Matrix	x		x	x	
	Services of a rapporteur for the INSARAG lessons learned meeting				x	
	Study and provision of reports for forest management technologies	x		x	x	
	Study on gender, peace and security issues	x				
	Supply, delivery and installation of carpet tiles			x		
	Systems analyst tasks: Installation of the package on the servers; configuration of the system; pre and post production support; help desk and reporting; other general IT tasks as needed by the Medical Services Division	x		x		
	Technical training services on UNPAN online contract database systems	x				
	Training for directors and high-level ministerial staff in up-to-date management techniques	x		x	x	
	Training of resident auditors			x	x	
	Training programme of capacity-building and knowledge-networking for economists from developing countries	x				
	Training to DPADM staff members on how to manage their data via the upgrade online experts database on public administration	x				
	Translation and text-processing services for United Nations documents, publications and treaties[a]		x	x		
	Travel and office services for organizing a colloquium in Rio de Janeiro, Brazil			x		
	Typewriter repair service			x		
	UNPAN web-site maintenance	x				
	Upgrade and maintenance of database for DESA	x				
	Vehicle repair and maintenance services			x		
	Web-page development and maintenance for the Social Network in Central America and the Caribbean			x		
UNLB	Inspection, maintenance and repair of satellite communications equipment	x		x	x	
	Maintenance and repair of air conditioning systems	x		x	x	
	Maintenance and repair of central heating system	x		x	x	
	Maintenance and repair of workshop equipment	x		x	x	
	Maintenance of electro-mechanical doors	x		x	x	
	Painting of buildings			x	x	
	Printing services			x		
	Provision and distribution of heating fuel			x		

Office	Description	A	B	C	D	Savings identified (US$)
	Provision and installation of jet blast screen	x		x	x	
	Provision of aviation ground safety training services	x		x	x	
	Provision of CISCO training	x		x	x	
	Provision of cleaning services			x		
	Provision of communications and IT supporting staff for UN peacekeeping missions	x		x	x	
	Provision of consulting services for renovation of building	x		x	x	
	Provision of consulting services for the installation and commissioning of compressed air system	x		x	x	
	Provision of consulting services for the installation and commissioning of emergency generator	x		x	x	
	Provision of consulting services for the installation of warehouse equipment	x		x	x	
	Provision of disaster recovery planning training	x		x	x	
	Provision of fibre optic systems training courses	x		x	x	
	Provision of foam packing machine repair and maintenance services	x		x		
	Provision of grass cutting and gardening services			x		
	Provision of HP openview network node manager	x		x	x	
	Provision of IDS training course	x		x	x	
	Provision of inspection and certification of used containers	x		x		
	Provision of Lotus Notes training	x		x	x	
	Provision of Microsoft training	x		x	x	
	Provision of office training courses	x		x	x	
	Provision of PABX/ISDN training courses	x		x	x	
	Provision of self-training courses for the container inspector certification examination	x		x		
	Provision of telecommunications training course	x		x	x	
	Provision of theoretical lessons and examinations for "D" type driver's licenses	x		x		
	Provision of VPN (Building Virtual Private Network) training	x		x	x	
	Provision of wireless security training	x		x	x	
	Provision of supervisory skills training course	x		x	x	
	Provisions of communications and IT training	x		x	x	
	Regravel and improvement of gravel hardstand	x		x	x	
	Renovation of building	x		x	x	
	Repair of water proofing of building roof	x		x	x	
	Services for firefighting equipment	x		x		
	Sharpening services for BMU tools			x	x	

Office	*Description*	*A*	*B*	*C*	*D*	*Savings identified (US$)*
	Spraying of herbicide			x		
	Supply of CISCO engineers and technicians for the development, support and maintenance of CISCO systems	x		x	x	
UNMEE	Operation of water-purification plants		x			38 000.00
	Provision of guard service (*)			x		
	Warehousing services		x			6 500.00
UNMIK	Cleaning, maintenance and janitorial services		x			639 890.89
	Collection and removal of hazardous waste and disposal and treatment of contaminated soils and water	x				
	Maintenance of heating system	x				
	Maintenance of medical equipment	x				
	Photographic developing services			x		
	Printing services			x		
	Provision of food, water and catering services			x		
	Provision of guard service (*)		x			5 046 948.36
	Provision of mortuary services			x		
	Provision of English language courses to national staff			x		
	Services of firefighting equipment	x				
	Travel management services			x		
UNMISET	Alteration and renovation			x	x	
	Collection and disposal of liquid soap and solid waste			x		
	Generator and electrical equipment maintenance and repair			x	x	
	Marine survey services				x	
	Provision of catering services			x		
	Provision of photocopiers and related services	x		x		
	Vehicle maintenance, repair and rental services	x		x		
	Vehicle repair services					
	Water supply upgrade projects			x	x	
UNOG	Building cleaning			x		
	Carpentry work			x		
	Catering services	x				
	Computer and printer maintenance	x				
	Electrical work			x		
	Flooring work	x		x		
	Maintenance of elevators	x				
	Paint work			x		

Office	*Description*	*A*	*B*	*C*	*D*	*Savings identified (US$)*
	Photocopiers installation and maintenance	x				
	Sanitary work			x		
	Seasonal garden and parks maintenance service			x		
	Shuttle services (turn-key service, including provision and maintenance of vehicles, drivers, insurance)		x	x		80 000.00
	Temporary operators for conference rooms			x		
UNOMIG	Provision of guard service (*)		x	x		401 280.00
UNON	Cleaning services			x		
	Computer hardware and software maintenance	x		x		
	Computer training services	x		x		
	Distribution of publications and warehouse service	x		x		
	Electrical, mechanical and catering equipment maintenance			x		
	Exide electronics UPS maintenance			x		
	IMIS HP server maintenance			x		
	Landscaping and gardening services			x		
	Maintenance of interpretation and voting equipment	x				
	Operation and maintenance of PABX and data cabling			x		
	Perimeter security system maintenance			x		
	Provision of guard service with dog and dog handlers (*)			x		
	Psychosocial care support services			x		
	Sanitary bins services			x		
	SUN/UNIX system maintenance			x		
	UN staff transportation service			x		
	UPS maintenance			x		
UNOV	Language and publishing services: translation, text processing, transcription from tapes (mainly for unedited transcripts), copy preparation, proof-reading and typesetting			x		
	Provision of office supplies/stationery and related logistic services			x		
	Provision of photocopying machines on a rental basis to all UN offices at Vienna, UNIDO and CTBTO			x		
	Provision of travel services		x	x		79 000.00
UNTSO	Alarm system maintenance services	x				
	Bodywork repair services			x		
	Carlog supply and maintenance service	x				
	Central heating maintenance	x				
	Cleaning services			x		
	Computer repair services	x				

Office	*Description*	*A*	*B*	*C*	*D*	*Savings identified (US$)*
	Gardening services			x		
	Ground maintenance services			x		
	Maintenance of ID card machine	x				
	Maintenance of air conditioners	x				
	Photocopier maintenance services	x				
	Plumbing services			x		
	Rewiring/cabling services	x				
	Vehicle repair services			x		
	Vehicle washing services			x		
	VIP vehicle service and repair	x				
	Wall and pathway repair services			x		
	Wheel alignment and balancing services	x		x		
	Total savings in US$ (some savings cannot be monetarily quantified)					**12 413 104.77**

[a] Compared with the notional cost for in-house and translation at $141 per page and $39.50 per page for text processing, the rates of outsourced services vary by language between $20 and $45 per page for translation and $3.33 and $6 per page for text processing. However, the actual saving cannot be accurately determined since the notional cost includes all related overheads while the contracted rates are the net rates paid.

Legend

Reason code	**Description**
A	To acquire technical skills not readily available within the organization, including assessing state-of-the-art technologies and expertise or acquiring needed flexibility to meet quickly changing circumstances.
B	To achieve cost savings.
C	To provide a source more effectively, efficiently or expeditiously.
D	To provide an activity or service not required on a long-term basis.
(*)	This requires the approval of a designated official in accordance with the Secretary-General's outsourcing practices.